

Fairlington Commons Council of Co-Owners

3367 South Wakefield Street

Arlington, Virginia 22206

July 6, 2010

Minutes of the July 6, 2010 Meeting of the Board of Directors

The July meeting of the Board of Directors of the Fairlington Commons Council of Co-Owners was held on Tuesday, July 6, 2010 in Room 103 of the Fairlington Community Center located at 3308 S. Stafford Street in Arlington, Virginia. Board members present included President John Sinks, Treasurer James Sharpe, Acting Secretary Bernie Weaver, and At-Large Noah Greenblatt. Vice President Robert Hedley was unable to attend due to work commitments. Co-Owners Nicholas Lowry and Arnie Malin, members of The Committee to Study Professional Management, were also in attendance.

President Sinks called the meeting to order at 7:15 p.m.

The first agenda item considered by the Board was a proposal to limit to no more than \$500 per occurrence the Council of Co-Owners' responsibility for the replacement of an individual unit's damaged floor coverings when such damage is not covered by the Condominium's Master Insurance Policy or the individual Co-Owner's Insurance policy. This item had been discussed at the Board Meeting of June 10, 2010, but was set aside until it could be considered by the whole Board. That discussion having occurred between the June 10th meeting and this meeting, President Sinks called for a motion to establish the Council of Co-Owners' liability at \$500, as previously discussed. Treasurer Sharpe seconded the motion. Following a brief discussion, the motion was voted and passed unanimously.

President Sinks then read for the record his report concerning the status of Insurance payments related to damage sustained during the winter's snowstorms. That report was accepted as presented, and is included as Attachment A to these minutes.

In response to ever increasing pressures resulting from the compliance requirements of the Virginia Condominium Act, the aging infrastructure of the Commons, and increasing requirements on the time and resources of Board Members, the Board had as of last fall begun consideration of commissioning a study to be conducted by a committee of co-owners regarding the possibility and advisability of moving the Commons from self-management to professional management. That Committee was formed early this year, and, following a "Scope of Work" drafted by the Board, began conducting the study. The study is now complete, and was formally presented to the Board at this meeting. As the study is quite detailed and lengthy, it is not included as an attachment to these minutes, but rather is posted as a separate document on the Commons' Web Pages.

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The Board would like to take this opportunity to officially convey in these minutes our gratitude to the members of the Committee to Study Professional Management for a job well done. The Committee's diligence, professionalism, and dedication to a difficult task has provided the Board and the Council of Co-Owners with much needed information to use as we consider and begin to act on ensuring that our community is managed in the most efficient and cost effective manner possible. Many thanks for a job well done!

After a discussion of the contents of the report the Board considered possible courses of action. Most of the discussion centered on the next appropriate step to take, with a consensus that a formal Request for Proposal should be prepared for use in soliciting bids and negotiating with several professional management companies. Acting Secretary Weaver made a motion that the Board begin drafting a Request for Proposals, and At-Large Greenblatt seconded. The motion passed unanimously. The Board, in conjunction with assistance from the committee, will now begin to draft a Request for Proposal. President Sinks asked that Board members make any final comments on the report within the next week.

Towing was the next item addressed by the Board, with the discussion centered around our Parking Policy, the no-cost agreement with A-1 Towing, and the authority granted our parking lot monitors to call for removal of a vehicle parked in violation of our parking policy. Our parking policy, located on the Commons Website at <http://www.fairlington.org/CommonsParkingPolicy.pdf>, has not changed.

At the time of renovation pruning in the late 1990's and early 2000's, the Board had allowed Co-Owners to request the removal of certain plantings at Commons expense in lieu of pruning and with the condition that the Co-Owner then replant at the Co-Owner's expense, provided that the Board approve of the proposed plantings. Although renovation pruning, which was a planned and budgeted activity, is long over, the Commons has in certain cases continued to agree to the removal of existing plantings at Commons' expense with the agreement that replanting be accomplished at Co-Owner expense. While the Board acknowledges the original policy, it noted that this policy was instituted as a cost saving measure during a preplanned and budgeted activity that no longer exists. However, the policy does result in the beautification of the Commons with the association and individual cc-owners sharing the cost. Consequently, the Board has decided that Co-Owner requests for removal of existing plantings at Commons' expense continue to be reviewed and approved on a case-by-case basis.

There being no further business, President Sinks called for a motion to adjourn the meeting. At Large Greenblatt made the motion, Treasurer Sharpe seconded, the motion was unanimously approved, and the meeting adjourned at 8:55 p.m.

Respectfully Submitted,

Bernard O. Weaver,
Acting Secretary

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Attachment A

**Fairlington Commons Council of Co-Owners
Insurance Report—2010 Winter Storm Damage**

Nationwide Insurance made two payments totaling \$95,082.67 for the damage caused by the winter storms. Our deductible was \$5,000, so the damage covered by insurance was just over \$100,000. Most of the repairs were done by Patrick Enterprises, who worked with Nationwide to get the original estimate increased, largely to cover extra work needed to replace wood gutters with aluminum gutters. Sanitech repaired the interior damage—plastering and painting—in one unit.

Several claims were disallowed. These fell into two categories:

One was for the removal of tree stumps near Route 395. Under our policy, tree damage is covered only if the tree falls on an insured item. When the tornado struck some years ago, we recovered costs for a tree that fell on the fence of two patios; we did not recover the cost of other trees damaged. The trees in question fell across the sidewalk and partially blocked S. 34th St. The County quickly cut the trees back to clear the street, leaving the sidewalk blocked at the time we submitted the claim. At best, this would have been a borderline call. By the time the adjuster came, the county had cut the trees back to the stumps so the sidewalk was no longer blocked.

Claims of the second category that were disallowed were for air conditioners damaged by falling gutters. The gutters are a Commons responsibility and damage to them made up a large portion of the damage. Repair of Air Conditioners is the responsibility of the homeowners, whether located inside patios or (as in the case of Georgetown units especially) outside patios. Our Bylaws state in Article VI Section 2:

“All repairs of internal installations of the Family Unit such as water, light, gas, power, sewage, telephone, air conditioners, sanitary installations, doors, windows, lams and all other accessories belonging to the Family Unit area shall be at the co-owner’s expense.”

Nationwide cited this section of our Bylaws in giving us their decision. Our agent, Jerry Wagner, explained the matter in greater detail. Had the Commons been negligent with respect to gutter repair, there would have been a basis for a claim. However, we had not been negligent. We do maintain gutters and replace bad gutters annually. We had not ignored reports that gutters were failing. The gutters fell due to an extremely heavy snow that was an Act of God. Responsibility for repair of the air conditioners therefore remained with the co-owner.

Both with respect to the tree stumps and the air conditioning units, Nationwide’s decision was reasonable.

A great many of the gutters that fell were old wooden gutters that would have been replaced over the next decade. Because we were insured for replacement cost, there was no depreciation applied to these gutters and we will avoid some future expenses we would have incurred in replacing them.

Expenditures that are reimbursed by insurance are not included in our accounting reports. As I understand it, this is a technical requirement that prevents the insurance reimbursement from being considered taxable income. We need to examine the three invoices for work covered by insurance and make sure that Murphy and Associates knows where to make the adjustments in expenditures.

John D. Sinks
President